



General Assembly

**Substitute Bill No. 5289**

February Session, 2014



**AN ACT ESTABLISHING THE CONNECTICUT PORT AUTHORITY.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2015*) (a) There is hereby  
2 established and created a body politic and corporate, constituting a  
3 public instrumentality and political subdivision of the state of  
4 Connecticut established and created for the performance of an  
5 essential public and governmental function, to be known as the  
6 Connecticut Port Authority. The authority shall not be construed to be  
7 a department, institution or agency of the state.

8 (b) The powers of the authority shall be vested in and exercised by a  
9 board of directors, which shall consist of seven voting members,  
10 appointed as follows: (1) One appointed by the speaker of the House of  
11 Representatives for a term of four years; (2) one appointed by the  
12 minority leader of the House of Representatives for a term of four  
13 years; (3) one appointed by the president pro tempore of the Senate for  
14 a term of four years; (4) one appointed by the minority leader of the  
15 Senate for a term of four years; and (5) three appointed by the  
16 Governor each for a term of four years. Thereafter, such members of  
17 the General Assembly and the Governor shall appoint members of the  
18 board to succeed such appointees whose terms expire and each  
19 member so appointed shall hold office for a period of four years from  
20 the first day of July in the year of his or her appointment. The

21 Commissioner of Energy and Environmental Protection, the  
22 Commissioner of Transportation and the Commissioner of Economic  
23 and Community Development shall each serve as nonvoting, ex-officio  
24 members of the board. Appointed members shall have business and  
25 management experience and shall include individuals who have  
26 experience and expertise in one or more of the following areas: (A)  
27 International trade, (B) marine transportation, (C) finance, or (D)  
28 economic development.

29 (c) Appointed members of the board of directors may not designate  
30 a representative to perform in their absence their respective duties  
31 under this section. Any appointed member who fails to attend three  
32 consecutive meetings of the board or who fails to attend fifty per cent  
33 of all meetings of the board held during any calendar year shall be  
34 deemed to have resigned from the board. Any vacancy occurring other  
35 than by expiration of term shall be filled in the same manner as the  
36 original appointment for the balance of the unexpired term.

37 (d) The board of directors of the authority shall appoint an executive  
38 director who shall not be a member of the board and who shall serve at  
39 the pleasure of the board and receive such compensation as shall be  
40 fixed by the board. The executive director shall have extensive  
41 experience in the development and management of multi-use port  
42 operations. The executive director shall be the chief administrative  
43 officer of the authority and shall direct and supervise administrative  
44 affairs and technical activities in accordance with the directives of the  
45 board. The executive director shall approve all accounts for salaries,  
46 allowable expenses of the authority or of any employee or consultant  
47 thereof, and expenses incidental to the operation of the authority. The  
48 executive director shall perform such other duties as may be directed  
49 by the board in carrying out the purposes of sections 1 to 4, inclusive,  
50 of this act. The executive director shall be exempt from the classified  
51 service. The executive director shall attend all meetings of the board,  
52 keep a record of the proceedings of the authority and shall maintain  
53 and be custodian of all books, documents and papers filed with the

54 authority and of the minute book or journal of the authority and of its  
55 official seal. The executive director may cause copies to be made of all  
56 minutes and other records and documents of the authority and may  
57 give certificates under the official seal of the authority to the effect that  
58 such copies are true copies, and all persons dealing with the authority  
59 may rely upon such certificates.

60 (e) Each member of the board of directors shall be entitled to  
61 reimbursement for such member's actual and necessary expenses  
62 incurred during the performance of such member's official duties.

63 (f) Members of the board of directors may engage in private  
64 employment, or in a profession or business, subject to any applicable  
65 laws, rules and regulations of the state or federal government  
66 regarding official ethics or conflict of interest.

67 (g) Four members of the board of directors shall constitute a  
68 quorum for the transaction of any business or the exercise of any  
69 power of the authority. For the transaction of any business or the  
70 exercise of any power of the authority, and, except as otherwise  
71 provided in this section, the authority may act by a majority of the  
72 members present at any meeting at which a quorum is in attendance.

73 (h) The board of directors may delegate to four or more members of  
74 such board powers and duties as it may deem necessary and proper in  
75 conformity with the provisions of this section and its bylaws.

76 (i) The appointing authority for any member of the board of  
77 directors may remove such director for inefficiency, neglect of duty or  
78 misconduct in office after giving the member a copy of the charges  
79 against the member and an opportunity to be heard, in person or by  
80 counsel, in the member's defense, upon not less than ten days' notice. If  
81 any member shall be so removed, the appointing authority for such  
82 member shall file in the office of the Secretary of the State a complete  
83 statement of charges made against such member and the appointing  
84 authority's findings on such statement of charges, together with a

85 complete record of the proceedings.

86 (j) The authority shall continue as long as it has bonds or other  
87 obligations outstanding and until its existence is terminated by law.  
88 Upon the termination of the existence of the authority, all its rights and  
89 properties shall pass to and be vested in the state of Connecticut.

90 (k) Notwithstanding any provision of the general statutes, it shall  
91 not constitute a conflict of interest for a trustee, director, partner or  
92 officer of any person, firm or corporation, or any individual having a  
93 financial interest in a person, firm or corporation, to serve as a director  
94 of the authority, provided such trustee, director, partner, officer or  
95 individual shall abstain from deliberation, action or vote by the board  
96 in specific respect to such person, firm or corporation.

97 (l) The Governor shall appoint the chairperson of the board, who  
98 shall serve for a term of four years. The board shall elect from its  
99 members a vice-chairperson and such other officers as it deems  
100 necessary. Vacancies among any officers shall be filled not later than  
101 thirty days following the occurrence of such vacancy in the same  
102 manner as the original selection. Said board shall establish bylaws to  
103 govern its procedures and shall appoint such committees and advisory  
104 boards as may be convenient or necessary in the transaction of its  
105 business.

106 (m) The initial members of the board may begin service  
107 immediately upon appointment, but shall not serve past the sixth  
108 Wednesday of the next regular session of the General Assembly unless  
109 qualified in the manner provided in section 4-7 of the general statutes.  
110 Thereafter, all appointments shall be made with the advice and  
111 consent of both houses of the General Assembly, in the manner  
112 provided in section 4-19 of the general statutes.

113 Sec. 2. (NEW) (*Effective July 1, 2015*) (a) The Connecticut Port  
114 Authority shall have the duty, power and authority generally to  
115 coordinate port development, with a focus on private and public

116 investments, pursue federal and state funds for dredging and other  
117 infrastructure improvements to increase cargo movement through  
118 Connecticut ports, market the advantages of such ports to the domestic  
119 and international shipping industry, coordinate the planning and  
120 funding of capital projects promoting the development of such ports  
121 and develop strategic entrepreneurial initiatives that may be available  
122 to the state, and specifically to:

123       (1) Develop an organizational and management structure that will  
124 best accomplish the goals of the authority concerning Connecticut  
125 ports;

126       (2) Create a code of conduct for the board of directors of the  
127 authority consistent with part I of chapter 10 of the general statutes;

128       (3) On or before December fifteenth each year, report, in accordance  
129 with the provisions of section 11-4a of the general statutes, to the  
130 Governor and the joint standing committees of the General Assembly  
131 having cognizance of matters relating to transportation, commerce and  
132 the environment, summarizing the authority's activities, disclosing  
133 operating and financial statements and recommending legislation to  
134 promote the authority's purposes;

135       (4) Adopt rules for the conduct of its business which shall not be  
136 considered regulations, as defined in subdivision (13) of section 4-166  
137 of the general statutes;

138       (5) Receive and accept aid or contributions from any source of  
139 money, property, labor or other things of value, to be held, used and  
140 applied to carry out the purposes of sections 1 to 4, inclusive, of this  
141 act, subject to such conditions upon which such grants and  
142 contributions may be made, including, but not limited to, gifts or  
143 grants from any department, agency or instrumentality of the United  
144 States or this state for any purpose consistent with sections 1 to 4,  
145 inclusive, of this act;

146       (6) Enter into agreements with any department, agency, office or

147 instrumentality of the United States or this state, including the office of  
148 the State Treasurer, to carry out the purposes of sections 1 to 4,  
149 inclusive, of this act;

150 (7) The extent permitted under sections 1 to 4, inclusive, of this act,  
151 borrow money or secure credit on a temporary, short-term, interim or  
152 long-term basis;

153 (8) Issue bonds, bond anticipation notes and other obligations of the  
154 authority to the extent permitted under sections 1 to 4, inclusive, of  
155 this act, to fund and refund the same and provide for the rights of the  
156 holders thereof, and to secure the same by pledge of revenues, notes  
157 and mortgages of others;

158 (9) Acquire, lease, hold and dispose of real and personal property,  
159 including, but not limited to, any state pier real property under its  
160 control, for its corporate purposes. Notwithstanding this subdivision,  
161 the authority shall not convey fee simple ownership in any land under  
162 its jurisdiction and control without the approval of the State Properties  
163 Review Board and the Attorney General;

164 (10) Employ such assistants, agents and other employees, including  
165 a marketing manager with experience (A) in port market development  
166 and promotion, and (B) working with vessel operators, railroads, the  
167 shipping industry and the trucking industry, and to engage  
168 consultants and such other independent professionals as may be  
169 necessary or desirable to carry out its purposes in accordance with  
170 sections 1 to 4, inclusive, of this act and, except for such employees  
171 who are covered by collective bargaining agreements, to fix their  
172 compensation, and to provide technical assistance as provided in  
173 sections 1 to 4, inclusive, of this act;

174 (11) Maintain an office at such place or places as it may designate;

175 (12) Sue and be sued in its own name, and plead and be impleaded;

176 (13) Mortgage any property of the authority for the benefit of the

177 holders of obligations issued by the authority;

178 (14) Make and enter into all contracts and agreements necessary or  
179 incidental to the performance of its duties and the execution of its  
180 powers under sections 1 to 4, inclusive, of this act, including, but not  
181 limited to, the granting of leasehold interests, concession, access and  
182 development rights and privileges, supplier, vendor, contractor and  
183 consultant contracts; and

184 (15) Do all acts and things necessary or convenient to carry out the  
185 purposes of sections 1 to 4, inclusive, of this act and chapter 242 of the  
186 general statutes and the powers expressly granted by sections 1 to 4,  
187 inclusive, of this act.

188 (b) To serve its purpose, the authority may:

189 (1) Have perpetual succession as a body politic and corporate and to  
190 adopt bylaws for the regulation of its affairs and the conduct of its  
191 business;

192 (2) Adopt an official seal and alter the same at pleasure;

193 (3) (A) Employ such assistants, agents and other employees as may  
194 be necessary or desirable; (B) establish all necessary or appropriate  
195 personnel practices and policies; and (C) engage consultants, attorneys  
196 and appraisers as may be necessary or desirable to carry out its  
197 purposes in accordance with this section;

198 (4) Invest in, acquire, lease, purchase, own, manage, hold and  
199 dispose of real property, including, but not limited to, any state pier  
200 real property under its control, and lease, convey or deal in or enter  
201 into agreements with respect to such property on any terms necessary  
202 or incidental to carrying out the purposes of sections 1 to 4, inclusive,  
203 of this act, provided such transactions shall not be subject to approval,  
204 review or regulation by any state agency pursuant to title 4b of the  
205 general statutes or any other provision of the general statutes.  
206 Notwithstanding this subdivision, the authority shall not convey fee

207 simple ownership in any land under its jurisdiction and control  
208 without the approval of the State Properties Review Board and the  
209 Attorney General;

210 (5) Procure insurance against any liability or loss in connection with  
211 its property and other assets, in such amounts and from such insurers  
212 as it deems desirable and to procure insurance for employees; and

213 (6) Account for and audit funds of the authority and funds of any  
214 recipients of funds from the authority.

215 Sec. 3. (NEW) (*Effective July 1, 2015*) The board of directors of the  
216 Connecticut Port Authority shall adopt written procedures, in  
217 accordance with the provisions of section 1-121 of the general statutes,  
218 for: (1) Adopting an annual budget and plan of operations, including a  
219 requirement of board approval before the budget or plan may take  
220 effect; (2) hiring, dismissing, promoting and compensating employees  
221 of the authority, including an affirmative action policy and a  
222 requirement of board approval before a position may be created or a  
223 vacancy filled; (3) acquiring real and personal property and personal  
224 services, including a requirement of board approval for any  
225 nonbudgeted expenditure in excess of five thousand dollars; (4)  
226 contracting for financial, legal and other professional services,  
227 including a requirement that the authority solicit proposals at least  
228 once every three years for each such service which it uses; (5)  
229 awarding loans, grants and other financial assistance, including  
230 eligibility criteria, the application process and the role played by the  
231 authority's staff and board of directors; and (6) the use of surplus  
232 funds to the extent authorized under sections 1 to 4, inclusive, of this  
233 act or other provision of the general statutes.

234 Sec. 4. (NEW) (*Effective July 1, 2015*) The board of directors of the  
235 Connecticut Port Authority shall submit, in accordance with the  
236 provisions of section 11-4a of the general statutes, to the joint standing  
237 committees of the General Assembly having cognizance of matters  
238 relating to appropriations, commerce, the environment and



239 transportation a copy of each audit of the authority conducted by an  
240 independent auditing firm, not later than seven days after the audit is  
241 received by said board of directors.

242 Sec. 5. Subdivision (12) of section 1-79 of the 2014 supplement to the  
243 general statutes is repealed and the following is substituted in lieu  
244 thereof (*Effective July 1, 2015*):

245 (12) "Quasi-public agency" means Connecticut Innovations,  
246 Incorporated, and the Connecticut Health and Education Facilities  
247 Authority, Connecticut Higher Education Supplemental Loan  
248 Authority, Connecticut Housing Finance Authority, State Housing  
249 Authority, Connecticut Resources Recovery Authority, Capital Region  
250 Development Authority, Connecticut Lottery Corporation, Connecticut  
251 Airport Authority, Health Information Technology Exchange of  
252 Connecticut, Connecticut Health Insurance Exchange, [and] Clean  
253 Energy Finance and Investment Authority and Connecticut Port  
254 Authority.

255 Sec. 6. Subdivision (1) of section 1-120 of the general statutes is  
256 repealed and the following is substituted in lieu thereof (*Effective July*  
257 *1, 2015*):

258 (1) "Quasi-public agency" means Connecticut Innovations,  
259 Incorporated, and the Connecticut Health and Educational Facilities  
260 Authority, Connecticut Higher Education Supplemental Loan  
261 Authority, Connecticut Housing Finance Authority, Connecticut  
262 Housing Authority, Connecticut Resources Recovery Authority,  
263 Capital Region Development Authority, Connecticut Lottery  
264 Corporation, Connecticut Airport Authority, Health Information  
265 Technology Exchange of Connecticut, Connecticut Health Insurance  
266 Exchange, [and] Clean Energy Finance and Investment Authority and  
267 Connecticut Port Authority.

268 Sec. 7. Section 1-124 of the general statutes is repealed and the  
269 following is substituted in lieu thereof (*Effective July 1, 2015*):

270 (a) Connecticut Innovations, Incorporated, the Connecticut Health  
271 and Educational Facilities Authority, the Connecticut Higher  
272 Education Supplemental Loan Authority, the Connecticut Housing  
273 Finance Authority, the Connecticut Housing Authority, the  
274 Connecticut Resources Recovery Authority, the Health Information  
275 Technology Exchange of Connecticut, the Connecticut Airport  
276 Authority, the Capital Region Development Authority, the  
277 Connecticut Health Insurance Exchange, [and] the Clean Energy  
278 Finance and Investment Authority and the Connecticut Port Authority  
279 shall not borrow any money or issue any bonds or notes which are  
280 guaranteed by the state of Connecticut or for which there is a capital  
281 reserve fund of any kind which is in any way contributed to or  
282 guaranteed by the state of Connecticut until and unless such  
283 borrowing or issuance is approved by the State Treasurer or the  
284 Deputy State Treasurer appointed pursuant to section 3-12. The  
285 approval of the State Treasurer or said deputy shall be based on  
286 documentation provided by the authority that it has sufficient  
287 revenues to (1) pay the principal of and interest on the bonds and notes  
288 issued, (2) establish, increase and maintain any reserves deemed by the  
289 authority to be advisable to secure the payment of the principal of and  
290 interest on such bonds and notes, (3) pay the cost of maintaining,  
291 servicing and properly insuring the purpose for which the proceeds of  
292 the bonds and notes have been issued, if applicable, and (4) pay such  
293 other costs as may be required.

294 (b) To the extent Connecticut Innovations, Incorporated, and the  
295 Connecticut Higher Education Supplemental Loan Authority,  
296 Connecticut Housing Finance Authority, Connecticut Housing  
297 Authority, Connecticut Resources Recovery Authority, Connecticut  
298 Health and Educational Facilities Authority, the Health Information  
299 Technology Exchange of Connecticut, the Connecticut Airport  
300 Authority, the Capital Region Development Authority, the  
301 Connecticut Health Insurance Exchange, [or] the Clean Energy Finance  
302 and Investment Authority or the Connecticut Port Authority is  
303 permitted by statute and determines to exercise any power to

304 moderate interest rate fluctuations or enter into any investment or  
305 program of investment or contract respecting interest rates, currency,  
306 cash flow or other similar agreement, including, but not limited to,  
307 interest rate or currency swap agreements, the effect of which is to  
308 subject a capital reserve fund which is in any way contributed to or  
309 guaranteed by the state of Connecticut, to potential liability, such  
310 determination shall not be effective until and unless the State  
311 Treasurer or his or her deputy appointed pursuant to section 3-12 has  
312 approved such agreement or agreements. The approval of the State  
313 Treasurer or his or her deputy shall be based on documentation  
314 provided by the authority that it has sufficient revenues to meet the  
315 financial obligations associated with the agreement or agreements.

316       Sec. 8. Section 1-125 of the general statutes is repealed and the  
317 following is substituted in lieu thereof (*Effective July 1, 2015*):

318       The directors, officers and employees of Connecticut Innovations,  
319 Incorporated, and the Connecticut Higher Education Supplemental  
320 Loan Authority, Connecticut Housing Finance Authority, Connecticut  
321 Housing Authority, Connecticut Resources Recovery Authority,  
322 including ad hoc members of the Connecticut Resources Recovery  
323 Authority, Connecticut Health and Educational Facilities Authority,  
324 Capital Region Development Authority, the Health Information  
325 Technology Exchange of Connecticut, Connecticut Airport Authority,  
326 Connecticut Lottery Corporation, Connecticut Health Insurance  
327 Exchange, [and] the Clean Energy Finance and Investment Authority  
328 and Connecticut Port Authority and any person executing the bonds or  
329 notes of the agency shall not be liable personally on such bonds or  
330 notes or be subject to any personal liability or accountability by reason  
331 of the issuance thereof, nor shall any director or employee of the  
332 agency, including ad hoc members of the Connecticut Resources  
333 Recovery Authority, be personally liable for damage or injury, not  
334 wanton, reckless, wilful or malicious, caused in the performance of his  
335 or her duties and within the scope of his or her employment or  
336 appointment as such director, officer or employee, including ad hoc

337 members of the Connecticut Resources Recovery Authority. The  
338 agency shall protect, save harmless and indemnify its directors,  
339 officers or employees, including ad hoc members of the Connecticut  
340 Resources Recovery Authority, from financial loss and expense,  
341 including legal fees and costs, if any, arising out of any claim, demand,  
342 suit or judgment by reason of alleged negligence or alleged  
343 deprivation of any person's civil rights or any other act or omission  
344 resulting in damage or injury, if the director, officer or employee,  
345 including ad hoc members of the Connecticut Resources Recovery  
346 Authority, is found to have been acting in the discharge of his or her  
347 duties or within the scope of his or her employment and such act or  
348 omission is found not to have been wanton, reckless, wilful or  
349 malicious.

350 Sec. 9. Section 13b-51b of the general statutes is repealed and the  
351 following is substituted in lieu thereof (*Effective July 1, 2015*):

352 There shall be, within the Department of Transportation, a State  
353 Maritime Office which shall: (1) Be responsible for maritime  
354 operations, including the State Pier in New London, the Connecticut  
355 River ferries and such other operational responsibilities as shall be  
356 assigned to it; (2) serve as the Governor's principal maritime policy  
357 advisor; (3) serve as the liaison between the state and federal, local and  
358 private entities involved in maritime policy activities; (4) coordinate  
359 the state's maritime policy activities; (5) encourage year-round use of  
360 water-related industries; (6) work with the Department of Economic  
361 and Community Development and other state, local and private  
362 entities to maximize the economic potential of Connecticut's ports and  
363 other maritime resources; (7) conduct necessary research and planning  
364 activities; (8) assess potential state investments in ports and other  
365 maritime facilities; (9) [provide staff support to the Connecticut  
366 Maritime Commission, created in section 13b-51a; (10)] provide staff  
367 support to the Connecticut Pilot Commission created by section 15-13c;  
368 and [(11)] (10) undertake such other responsibilities as may be  
369 assigned to it by the commissioner or the Governor.

370 Sec. 10. Section 13b-55a of the general statutes is repealed and the  
371 following is substituted in lieu thereof (*Effective July 1, 2015*):

372 (a) In addition to municipal requests for a grant-in-aid pursuant to  
373 section 13b-57, harbor improvement projects may be initiated by the  
374 Commissioner of Transportation on behalf of the state or for the state  
375 on behalf of the federal government. Recommendations on the  
376 prioritization or inclusion of projects shall be submitted to the  
377 commissioner by the Connecticut [Maritime Commission] Port  
378 Authority. The department shall contract for the provision of goods  
379 and services to harbors and waterways for such improvements, and  
380 shall provide the funding required under such contracts, except that  
381 the commissioner may enter into agreements with other state agencies  
382 or municipalities for such agencies or municipalities to provide the  
383 funding for any of such contracts. The department shall administer all  
384 contracts entered into under this section.

385 (b) All contracts are subject to final negotiation of the scope and  
386 budget for a given project. Contracting periods may vary depending  
387 on each project. Payments shall be made on a reimbursement basis for  
388 deliverables completed no later than the dates of service of an executed  
389 contract. Appropriate back-up information shall be included with each  
390 payment request indicating that services have been rendered. The  
391 department may elect to provide part or all of the funds necessary as  
392 an upfront payment, provided funds are held in a separate, noninterest  
393 bearing account and are expended not later than sixty days after such  
394 funds are provided.

395 (c) Harbor improvement projects include the preparation of plans,  
396 studies and construction for the alteration and improvement of various  
397 state, municipal and other properties in or adjacent to the waters of the  
398 state, for the purpose of improving the economy and infrastructure of  
399 the state.

400 Sec. 11. Subdivision (2) of subsection (b) of section 12-587 of the 2014  
401 supplement to the general statutes is repealed and the following is

402 substituted in lieu thereof (*Effective from passage*):

403 (2) Gross earnings derived from the first sale of the following  
404 petroleum products within this state shall be exempt from tax: (A) Any  
405 petroleum products sold for exportation from this state for sale or use  
406 outside this state; (B) the product designated by the American Society  
407 for Testing and Materials as "Specification for Heating Oil D396-69",  
408 commonly known as number 2 heating oil, to be used exclusively for  
409 heating purposes or to be used in a commercial fishing vessel, which  
410 vessel qualifies for an exemption pursuant to section 12-412; (C)  
411 kerosene, commonly known as number 1 oil, to be used exclusively for  
412 heating purposes, provided delivery is of both number 1 and number 2  
413 oil, and via a truck with a metered delivery ticket to a residential  
414 dwelling or to a centrally metered system serving a group of  
415 residential dwellings; (D) the product identified as propane gas, to be  
416 used exclusively for heating purposes; (E) bunker fuel oil, intermediate  
417 fuel, marine diesel oil and marine gas oil to be used in any vessel (i)  
418 having a displacement exceeding four thousand dead weight tons, or  
419 (ii) primarily engaged in interstate commerce; (F) for any first sale  
420 occurring prior to July 1, 2008, propane gas to be used as a fuel for a  
421 motor vehicle; (G) for any first sale occurring on or after July 1, 2002,  
422 grade number 6 fuel oil, as defined in regulations adopted pursuant to  
423 section 16a-22c, to be used exclusively by a company which, in  
424 accordance with census data contained in the Standard Industrial  
425 Classification Manual, United States Office of Management and  
426 Budget, 1987 edition, is included in code classifications 2000 to 3999,  
427 inclusive, or in Sector 31, 32 or 33 in the North American Industrial  
428 Classification System United States Manual, United States Office of  
429 Management and Budget, 1997 edition; (H) for any first sale occurring  
430 on or after July 1, 2002, number 2 heating oil to be used exclusively in a  
431 vessel primarily engaged in interstate commerce, which vessel  
432 qualifies for an exemption under section 12-412; (I) for any first sale  
433 occurring on or after July 1, 2000, paraffin or microcrystalline waxes;  
434 (J) for any first sale occurring prior to July 1, 2008, petroleum products  
435 to be used as a fuel for a fuel cell, as defined in subdivision (113) of

436 section 12-412; (K) a commercial heating oil blend containing not less  
437 than ten per cent of alternative fuels derived from agricultural  
438 produce, food waste, waste vegetable oil or municipal solid waste,  
439 including, but not limited to, biodiesel or low sulfur dyed diesel fuel;  
440 (L) for any first sale occurring on or after July 1, 2007, diesel fuel other  
441 than diesel fuel to be used in an electric generating facility to generate  
442 electricity; (M) for any first sale occurring on or after July 1, 2013,  
443 cosmetic grade mineral oil; or (N) propane gas to be used as a fuel for a  
444 school bus.

445 Sec. 12. Subdivision (3) of subsection (a) of section 12-458 of the  
446 general statutes is repealed and the following is substituted in lieu  
447 thereof (*Effective from passage*):

448 (3) Said tax shall not be payable on such fuel as may have been (A)  
449 sold to the United States, (B) sold to a municipality of this state, (i) for  
450 use by any contractor performing a service for such municipality in  
451 accordance with a contract, provided such fuel is used by such  
452 contractor exclusively for the purposes of and in accordance with such  
453 contract, or (ii) for use exclusively in a school bus, as defined in section  
454 14-275, (C) sold to a municipality of this state, a transit district of this  
455 state, or this state, at other than a retail outlet, for governmental  
456 purposes and for use in vehicles owned and operated, or leased and  
457 operated by such municipality, such transit district or this state, (D)  
458 sold to a person licensed as a distributor in this state under section 12-  
459 456, (E) transferred from storage within this state to some point  
460 without this state, (F) sold to the holder of a permit issued under  
461 section 12-458a for sale or use without this state, (G) sold to the holder  
462 of a permit issued under subdivision (63) of section 12-412, provided  
463 (i) such fuel is not used in motor vehicles registered or required to be  
464 registered to operate upon the public highways of this state, unless  
465 such fuel is used in motor vehicles registered exclusively for farming  
466 purposes, (ii) such fuel is not delivered, upon such sale, to a tank in  
467 which such person keeps fuel for personal and farm use, and (iii) a  
468 statement, prescribed as to form by the Commissioner of Revenue

469 Services and bearing notice to the effect that false statements made  
470 under this section are punishable, that such fuel is used exclusively for  
471 farming purposes, is submitted by such person to the distributor, (H)  
472 sold exclusively to furnish power for an industrial plant in the actual  
473 fabrication of finished products to be sold, or for the fishing industry,  
474 (I) sold exclusively for heating purposes, (J) sold exclusively to furnish  
475 gas, water, steam or electricity, if delivered to consumers through  
476 mains, lines or pipes, (K) sold to the owner or operator of an aircraft, as  
477 defined in section 15-34, exclusively for aviation purposes, provided (i)  
478 for purposes of this subdivision, "aviation purposes" means for the  
479 purpose of powering an aircraft or an aircraft engine, (ii) such fuel is  
480 delivered, upon such sale, to a tank in which fuel is kept exclusively  
481 for aviation purposes, and (iii) a statement, prescribed as to form by  
482 the Commissioner of Revenue Services and bearing notice to the effect  
483 that false statements made under this section are punishable, that such  
484 fuel is used exclusively for aviation purposes, is submitted by such  
485 person to the distributor, (L) sold to a dealer who is licensed under  
486 section 12-462 and whose place of business is located upon an  
487 established airport within this state, [or] (M) diesel fuel sold  
488 exclusively for use in portable power system generators that are larger  
489 than one hundred fifty kilowatts, or (N) sold for use in any vessel (i)  
490 having a displacement exceeding four thousand dead weight tons, or  
491 (ii) primarily engaged in interstate commerce.

492 Sec. 13. (NEW) (*Effective July 1, 2014*) (a) There is established an  
493 Office of Maritime Development within the Department of Economic  
494 and Community Development for administrative purposes only. The  
495 Office of Maritime Development shall promote and coordinate, in  
496 consultation with the Commissioner of Transportation and the  
497 Commissioner of Energy and Environmental Protection, the operations  
498 of the Connecticut Port Authority established pursuant to sections 1 to  
499 4, inclusive, of this act.

500 (b) The Governor, in consultation with the Commissioner of  
501 Economic and Community Development, the Commissioner of



502 Transportation and the Commissioner of Energy and Environmental  
503 Protection, shall, within available appropriations, appoint an executive  
504 director to manage the daily activities and duties of the Office of  
505 Maritime Development. The executive director shall have the  
506 necessary qualifications to perform the duties of said office, including,  
507 but not limited to, having experience in the development and  
508 management of multi-use port operations, international trade,  
509 maritime transportation, finance and economic development. Within  
510 available appropriations, the executive director shall: (1) Appoint,  
511 employ and remove such assistants, employees and personnel as  
512 deemed necessary for the efficient and effective administration of the  
513 activities of the office; (2) develop a plan to transition the maritime  
514 functions of the Department of Transportation to the Connecticut Port  
515 Authority; (3) review and make recommendations for state policies  
516 that affect Connecticut's ports; (4) coordinate state, regional and local  
517 efforts to encourage the growth of Connecticut's ports; (5) develop a  
518 plan to eliminate the Office of Maritime Development and transition  
519 the functions of the Office of Maritime Development and the  
520 Connecticut Maritime Commission to the Connecticut Port Authority  
521 after the establishment of the Connecticut Port Authority; (6) identify,  
522 in collaboration with the Commissioner of Economic and Community  
523 Development, the Commissioner of Transportation and the  
524 Commissioner of Energy and Environmental Protection, qualified  
525 candidates for the board of directors of the Connecticut Port Authority  
526 and the executive director of the Connecticut Port Authority; (7)  
527 develop a plan concerning the bonding authority of the Connecticut  
528 Port Authority; and (8) prepare and submit, on or before January 1,  
529 2016, a report of activities, findings and recommendations concerning  
530 the establishment of the Connecticut Port Authority to the Governor  
531 and the joint standing committees of the General Assembly having  
532 cognizance of matters relating to commerce, transportation and the  
533 environment, in accordance with the provisions of section 11-4a of the  
534 general statutes.

535 Sec. 14. Section 13b-51a of the general statutes is repealed. (*Effective*

536 July 1, 2015)

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2015	New section
Sec. 2	July 1, 2015	New section
Sec. 3	July 1, 2015	New section
Sec. 4	July 1, 2015	New section
Sec. 5	July 1, 2015	1-79(12)
Sec. 6	July 1, 2015	1-120(1)
Sec. 7	July 1, 2015	1-124
Sec. 8	July 1, 2015	1-125
Sec. 9	July 1, 2015	13b-51b
Sec. 10	July 1, 2015	13b-55a
Sec. 11	from passage	12-587(b)(2)
Sec. 12	from passage	12-458(a)(3)
Sec. 13	July 1, 2014	New section
Sec. 14	July 1, 2015	Repealer section

**TRA** Joint Favorable Subst.**FIN** Joint Favorable